Steps to boost industrial growth

*211. SHRI V. HANUMANTHA RAO:
DR. T. SUBBARAMI REDDY:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether industry grew 6.7 per cent in July, 2005 compared to 8.5 per cent in the same month in the previous fiscal year;

(b) if so, whether dip in growth rate resulted from a sharp slow down in electricity and mining sectors;

(c) if so, what efforts are being made by Government to provide power and improve mining which has seriously affected industrial growth in the month of July; and

(d) what is the position of industrial growth after July, 2005?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) and (b) Yes, Sir.

(c) Steps taken by the Government to improve power include, amongst others, launching of Accelerated Power Development and Reforms Programme (APDRP), improving Plant Load Factor performance of existing thermal power stations, Renovation and Modernization of the same, strengthening/augmentation of sub-transmission and distribution systems, transfer of power from surplus regions to deficit regions, etc. The Electricity Act 2003 provides the basic framework for encouraging reform and introducing competition in the sector. Government has launched long term measures like expeditious implementation of capacity addition programme and exploitation of hydro potential in the country. FDI upto 100% is permissible in the power sector. To improve mining, measures among others, include expeditious grant of mineral concessions, opening up of FDI upto 100% for exploration and exploitation of all non-fuel and non-atomic minerals. To improve crude oil production, measures include improving the recovery factor from existing major oils fields, increasing exploration efforts, use of new technologies. Measures in respect of coal include, *inter alia,* maximizing domestic production, emergency mining, allocation of new coal blocks, quicker investment decisions and import.

(d) After July, 2005, the trend of industrial growth was fluctuating at the monthly level. It stood at 8.2% in August, 2005 compared to 8.6% in August, 2004. In September 2005, it was 7.3% against a 9.8% in September 2004. On a cumulative basis, industrial growth was higher at 8.8% during the six-month period of April-September, 2005-06 compared to 8.3% during the same period of 2004-05.

Development of Bio-Mass Energy

†*212. SHRI BASHISTHA NARAIN SINGH: Will the Minister of NON-CONVENTIONA L ENERGY SOURCES be pleased to state:

(a) the plan of Government regarding development of 'bio-mass' based energy sources in the villages keeping in view the abundant availability of 'bio-mass' in the rural areas of the country;

(b) whether the said plan is effective;

(c) if not, the measures being taken by Government to make it effective; and

(d) whether Government will give priority to those States in these plans which are to a great extent lagging behind in the field of energy?

THE MINISTER OF STATE OF THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES (SHRI VILAS MUTTEMWAR): (a) An Outline Plan was prepared for creating energy security in villages through use of locally available biomass resources with participation of local community.

(b) and (c) The test projects taken up under the Programme involve plantation of fast growing tree species for sustained supply of biomass and installation of improved chulhas, biogas plants, biomass gasifiers and biofuel units for production of energy. The projects would effectively meet the total energy requirements of a village for cooking, motive power and electricity.

(d) The focus is on remote villages which do not have access to electricity and where grid electricity is not cost effective or feasible.

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†Original notice of the question was received in Hindi.